

COVER PAGE

Wisconsin Power and Light Company

Docket 6680-UR-117

Second Corrected Exhibit 3.14 (Lane Kollen)

**Response of
Wisconsin Power and Light Company
to
The Public Service Commission of Wisconsin
Data Request No. CAS-10**

Kollen Exhibit 3.14

Public Service Commission of Wisconsin
RECEIVED: 09/25/09, 4:22:25 PM

Docket Number: 6680-UR-117
Date of Request: June 15, 2009
Response Due: June 26, 2009
Information Requested By: Chris Swailes
Date Responded: July 21, 2009
Author: Marty Seitz / Ted Smith
Author's Title: Mgr II Fin Planning & Analysis / Lead Analyst II
Author's Telephone No.: (608) 458-3363 / (608) 458-3472
Witness: (If other than Author)

Data Request No. CAS-10:

In the company's response to MAR-06, there are several generating units that are listed as being removed from service in the near future. Are these retirements included in the company's estimate of revenue requirement? In any case, list the revenue requirement impact, and show such calculation, for each retirement. Include any decommissioning expense or cost of removal. Are there any pending approvals to shut these facilities down?

The units are:

Rock River 1 & 2
Blackhawk 3 & 4

Response:

WPL has had various discussions with Commission Staff and other Wisconsin rate regulated electric utilities and believes that the proper accounting for the four units noted above is as follows:

The Rock River Units 1 & 2 and the Blackhawk Units 3 & 4 have not been dispatched by MISO in the last year and one half. Because of diminished usage of these plants and WPL's commitment to reducing costs, WPL has announced a reduction in the staffing levels for the Rock River division and no longer considers these four units as being operational. When fully implemented, WPL's actions are anticipated to save rate payers approximately \$3 million per year in reduced O&M costs, as provided in other data request responses. The Uniform System of Accounts for Private Electric Utilities, as prescribed by this Commission in Docket NO. 05-US-103 effective January 1, 1990, dictates that the Rock River Units 1 & 2 and the Blackhawk Units 3 & 4 be classified as "Property retired". This classification is defined on page 5 as *property*

which has been removed, sold, abandoned, destroyed, or which for any cause has been withdrawn from service. WPL believes that the actions taken with respect to Rock River Units 1 & 2 and the Blackhawk Units 3 & 4 places them in the “Property retired” category.

Also within the Uniform System of Accounts discussion regarding entries to be made to account 108 for Accumulated Provision for depreciation of electric utility plant (Major only) can be found on page 45. Instruction b states that *“at the time of retirement of depreciable electric utility plant, this account shall be charged with the book cost of the property retired and the cost of removal and shall be credited with the salvage value and any other amounts recovered, such as insurance. When retirement occurs (there seems to be a word missing here), costs of removal and salvage are entered originally in retirement work orders, the net total of such work orders may be included in a separate sub-account hereunder. Upon completion of the work order, the proper distribution to sub-divisions of this account shall be made as provided in the following paragraph”*.

WPL believes that this is the proper accounting to reflect the actions taken related to Rock River Units 1 & 2 and the Blackhawk Units 3 & 4, and anticipates making such entries late in 2009.

The impact of the full revenue requirement increase in this proceeding from recording the above accounting entries would be to reduce retail electric revenue requirements by approximately \$619,000, driven by a reduction in depreciation expense offset in part by an increase in rate base. The attached file **[CAS-10 COSS for 5-8-2009 Filing RR BH 7-14-2009 Upd.xls]** provides the revenue requirement computation detail in our cost of service format with major items that changed from our filing highlighted and the capital model ratio impacts for this one item.

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY RATE BASE
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 PLANT IN SERVICE -				
2 Production - Alloc	1,192,252	Net Coin Dmd	934,046	258,205
3 - Specific	0	Specific	0	
4 Total Production	1,192,252		934,046	258,205
5				
6 Distribution -				
7 Lines & Subs - Alloc	1,088,227	Dist. L&S	1,058,408	29,819
8 - Specific		Dist. L&S (b)		
9 Total Lines & Substations	1,088,227.191		1,058,408.158	29,819.033
10				
11 Meters	85,363	Meter Investment (a)	84,863	500
12 Services	104,951	Specific	104,951	
13 Street Lighting & Signals	14,014	Specific	14,014	
14 Line Transformers	239,974	Specific	239,974	
15 Total Distribution	1,532,528		1,502,209	30,319
16				
17 General & Intangible - Alloc	56,754	Common (Labor)	48,898	7,854
18 - Specific		Common (Labor) (b)		
19 Total General & Intangible	56,754		48,898	7,854
20				
21 Common Allocated - Alloc	189,429	Common (Labor)	163,209	26,216
22 - Specific		Common (Labor) (b)		
23 Total Common Allocated	189,429		163,209	26,216
24				
25 Total Gross Plant in Service	2,970,962		2,648,362	322,594
26				
27				

(a) The WP&L portion is allocated on the indicated basis.

(b) The wholesale jurisdictional amounts are specifically identified and the retail amounts are allocated based on the indicated allocator.

30

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY RATE BASE
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 ACCUMULATED PROVISION FOR DEPRECIATION (RESERVE) -				
2 Production - Alloc	580,775	Net Coin Dmd	454,997	125,778
3 - Specific		Specific	0	
4 Total Production	580,775		454,997	125,778
5				
6 Distribution -				
7 Lines & Subs - Alloc	324,561	Dist. L&S	315,667	8,893
8 - Specific		Dist. L&S (b)		
9 Total Lines & Substations	324,561		315,667	8,893
10				
11 Meters	34,053	Meter Invest (a)	33,854	199
12 Services	38,028	Specific	38,028	
13 Street Lighting & Signals	9,376	Specific	9,376	
14 Line Transformers	76,999	Specific	76,999	
15 Total Distribution	483,017		473,924	9,092
16				
17 General & Intangible - Alloc	25,836	Common (Labor)	22,260	3,576
18 - Specific		Common (Labor) (b)		
19 Total General & Intangible	25,836		22,260	3,576
20				
21 Common Allocated - Alloc	116,766	Common (Labor)	100,604	16,160
22 - Specific		Common (Labor) (b)		
23 Total Common Allocated	116,766		100,604	16,160
24				
25 Total Accumulated Depreciation	1,206,394		1,051,785	154,606
26				
27				
28 TOTAL NET PLANT -				
29 Production	611,477		479,049	132,427
30 Distribution	1,049,511		1,028,285	21,227
31 General & Intangible	30,918		26,638	4,278
32 Common Allocated	72,663		62,605	10,056
33 Total Net Plant	1,764,569		1,596,577	167,987
34				
35				

- (a) The WP&L portion is allocated on the indicated basis.
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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY RATE BASE
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 NET DEFERRED INCOME TAXES (A/C 282 AND A/C 283)				
2 Production - Nuclear Decommissioning	51	Specific	38	13
3				
4 Production - Alloc	98,459	Net Coin Dmd	77,136	21,323
5 - Specific	0	Net Coin Dmd (b)		
6 Total Production	98,459		77,136	21,323
7				
8 Production -				
9 Nuclear Fuel - Alloc	(6,350)	Energy	(4,879)	(1,471)
10 - Specific	0	Specific		
11 Total Nuclear Fuel	(6,350)		(4,879)	(1,471)
12				
13 Distribution -				
14 Lines & Subs - Alloc	90,564	Dist. L&S	88,082	2,482
15 - Specific	0	Dist. L&S (b)		
16 Total Lines & Substations	90,564		88,082	2,482
17				
18 Meters	5,613	Meter Invest (a)	5,580	33
19 Services	3,992	Specific	3,992	
20 Street Lighting & Signals	1,304	Specific	1,304	
21 Line Transformers	29,277	Specific	29,277	
22 Total Distribution	130,749		128,235	2,515
23				
24 General & Intangible - Alloc	(16,582)	Common (Labor)	(14,286)	(2,295)
25 - Specific	0	Common (Labor) (b)		
26 Total General & Intangible	(16,582)		(14,286)	(2,295)
27				
28 Common Allocated - Alloc	75,198	Common (Labor)	64,790	10,407
29 - Specific	0	Common (Labor) (b)		
30 Total Common Allocated	75,198		64,790	10,407
31				
32 Total Deferred Income Tax Balance	281,526		251,034	30,492
33				

(a) The WP&L portion is allocated on the indicated basis.

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY RATE BASE
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 OTHER RATE BASE ITEMS -				
2 Fossil Fuel Inventory	46,425	Energy	35,671	10,754
3				
4 Materials & Supplies - Production	10,306	Net Coin Dmd	8,074	2,232
5 - Distribution	9,793	Gross Dist. Plt	9,600	194
6 - Common	418	Common (Labor)	360	58
7 Subtotal Materials & Supplies	20,518		18,034	2,484
8				
9 Investments & Advances in Associated Co.	190	Net Coin Dmd	149	41
10				
11 Customer Advances - Specific	(37,231)	Specific	(37,231)	0
12 - Distribution L&S	0	Dist. L&S	0	0
13 - Total	(37,231)		(37,231)	0
14				
15 Total Other Rate Base Items	29,902		16,623	13,279
16				
17 NET INVEST RATE BASE BEFORE FERC ADJUST	1,512,945		1,362,165	150,775
18				
19 Miscellaneous in Rate Base:				
20 Working Capital Allowance - FERC Only	0	See Schedule		0
21 Prepayments		Net Plant	0	0
22 TOTAL FERC ADJUSTED NET INVEST RATEBASE	1,512,945		1,362,165	150,775

(a) The wholesale jurisdictional amounts are specifically identified and the retail amounts are allocated based on the indicated allocator.

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY RATE BASE
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 CWIP IN RATE BASE -				
2 Production	299,388	Net Coin Dmd	234,550	64,838
3				
4 Distribution -				
5 Lines & Substations	12,799	Dist. L&S	12,449	351
6 Meters	55	Meter Invest (a)	55	0
7 Services	1,100	Specific	1,100	
8 Street Lighting & Signals	0	Specific	0	
9 Line Transformers	2,781	Specific	2,781	
10 Total Distribution	16,735		16,384	351
11				
12 General & Intangible	662	Common (Labor)	571	92
13 Common Allocated	5,458	Common (Labor)	4,703	755
14				
15 Total CWIP in Rate Base	322,244		256,208	66,036
16				
17				

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY RATE BASE
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 Return on Net Investment Rate Base	9.846%		9.850%	9.846%
2				
3 Percentage of CWIP Allowed A Current Return				
4 to Net Investment Rate Base	21.299%		18.809%	43.798%
5				
6 Adjustment to Return Requirement to provide				
7 a Current Return on CWIP	2.097%		1.853%	4.312%
8				
9 Adjustment to Return Requirement to provide				
10 Short Term Debt Return on Reg Assets	0.085%		0.090%	
11				
12 Adjusted Return on Net Investment Rate Base	<u>12.030%</u>		<u>11.790%</u>	<u>14.158%</u>

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY OPERATING EXPENSES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 OPERATIONS AND MAINTENANCE EXPENSES				
2 Production				
3 Fuel - Fossil (Allocable)	206,151	Energy	158,399	47,752
4 Fuel - Fossil (Specific)	0	Specific		
5 Total Fossil Fuel	206,151		158,399	47,752
6				
7 Purchased Power - Energy	182,975	Energy	140,592	42,383
8 -Demand	150,743	Net Coin Dmd	118,097	32,646
9 Total Purchased Power	333,719		258,689	75,029
10				
11 Total Fuel and Purchased Power	539,869		417,088	122,781
12				
13				
14 Operation	26,071	Net Coin Dmd	20,425	5,646
15 - KNPP NQ Fund Return to Customers	0	Specific (Net Coinc Dmd)		
16 Total Production Operation	26,071		20,425	5,646
17				
18				
19 Maintenance - Energy	20,398	Energy	15,673	4,725
20 - Demand	15,385	Net Coin Dmd	12,053	3,332
21 - KNPP NQ Fund Return to Customers	0	Specific (Energy)		
22 Total Production Maintenance	35,782		27,726	8,057
23				
24 Total Production (Excluding Fuels)	61,853		48,151	13,703
25	601,723		465,239	
26 Transmission				
27 Retail Transmission	105,159	Retail	105,159	0
28 Wholesale Network Transmission	6,997	Wh. & SB Network	0	6,997
29				
30 Total Transmission	112,155		105,159	6,997
31				
32 Distribution				
33 Operation - Lines & Substations	5,916	Dist. L&S	5,754	162
34 - Meters	(886)	Meter Invest	(881)	(5)
35 - Services	500	Meter Invest	497	
36 - St. Lighting/Signals	1	St Ltg Invest	1	
37 Total Distribution Operation	5,531		5,371	157
38				
39 Maintenance - Lines & Substations	17,210	Dist. L&S	16,739	472
40 - Meters	4	Meter Invest	4	0
41 - St. Lighting/Signals	12	St Ltg Invest	12	
42 - Transformers	117	Transf. Invest	117	
36 Total Distribution Maintenance	17,343		16,872	472
44				
45 Total Distribution	22,873		22,243	629

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY OPERATING EXPENSES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 OPERATIONS AND MAINTENANCE EXPENSES				
2 Customer Accounting				
3 Uncollectable Accounts (A/C 904)	3,551	Specific	3,551	
4 Accounts Receivable Factoring		Total Rate Base	0	0
5 Other	10,708	Cust. Acctg.	10,613	95
6 Total Customer Accounting	14,258		14,164	95
7				
8 Customer Service & Information				
9 Electric Conservation	31,130	Specific	31,130	
10 Wholesale Only (A/C 912.12)		Specific		0
11 Other	5,282	Cust. Serv.	5,282	
12 Total Customer Service & Information	36,412		36,412	0
13				
14 Sales	0	Cust. Serv.	0	0
15				
16 Administrative & General				
17 Account 928 - Specific Rate Case Amounts	0	Specific	*	
18 - Miscellaneous	834	Common (Labor)	719 *	115
19 - Total	834		719 *	115
20 Account 924 - Property Insurance	2,096	Net Plant	1,902 *	194
21 Account 930.11 - Recoverable Dues		Revenue	0 *	0
22 Account 930.32 - EPRI Dues		Common (Labor)	0 *	0
23 A&G Credits	(21,317)	Net Coin Dmd	(16,700)	(4,617)
24 All Remaining Recoverable Expenses	98,649	Common (Labor)	84,994	13,652
25 Total A&G	80,262	86.1581593%	70,915	9,344
26				
27 O&M Excluding Fuel & Purchased Power	327,815		297,043	30,768
28				
29 Total O&M Including Fuel & Purchased Power	867,684		714,131	153,549
30				
31				

(a) The wholesale jurisdictional amounts are specifically identified and the retail amounts are allocated based on the indicated allocator.

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY OPERATING EXPENSES
CONSOLIDATED
\$(000)

		Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1	REGULATORY ASSET AMORTIZATION				
2	Production Demand - Specific	7,460	Specific	3,155	4,304
3	Total Production Demand	7,460		3,155	4,304
4					
5	Production Energy - Specific	(2,679)	Energy (b)	(2,679)	
6	Total Production Energy	(2,679)		(2,679)	0
7					
8	Transmission - Specific	524	Transmission (b)	524	
9	Total Transmission	524		524	0
10					
11	Distribution -				
12	Lines & Subs - Specific	0	Dist. L&S (b)	0	0
13	Meters	0	Specific	0	
14	Services	0	Specific	0	
15	Street Lighting & Signals	0	Specific	0	
16	Line Transformers	0	Specific	0	
17	Total Distribution	0		0	0
18					
19	General - Specific	616	Common (Labor) (b)	616	
20	Total General & Intangible	616		616	0
21					
22	Common Electric - Specific	2,783	Common (Labor) (b)	2,783	
23	Total Common Allocated	2,783		2,783	0
24					
25	Total Regulatory Asset Amortization	8,704		4,399	4,304

26

27 (a) The WP&L portion is allocated on the indicated basis.

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UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY OPERATING EXPENSES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 NORMAL DEPRECIATION				
2 Production - Alloc	32,485	Net Coin Dmd	25,450	7,035
3 - Specific	167	Specific	167	
4 Total Production	32,652		25,617	7,035
5				
6 Production - Alloc	0	Energy	0	0
7 - Specific		Energy (b)		
8 Total Production	0		0	0
9				
10 Distribution -				
11 Lines & Subs - Alloc	27,795	Dist. L&S	27,034	762
12 - Specific		Dist. L&S (b)		
13 Total Lines & Substations	27,795		27,034	762
14 Meters	5,760	Meter Invest (a)	5,726	34
15 Services	1,626	Specific	1,626	
16 Street Lighting & Signals	313	Specific	313	
17 Line Transformers	8,590	Specific	8,590	
18 Total Distribution	44,084		43,288	796
19				
20 General & Intangible - Alloc	1,503	Common (Labor)	1,295	208
21 - Specific		Common (Labor) (b)		
22 Total General & Intangible	1,503		1,295	208
23				
24 Common Allocated - Alloc	12,266	Common (Labor)	10,569	1,698
25 - Specific		Common (Labor) (b)		
26 Total Common Allocated	12,266		10,569	1,698
27				
28 Total Normal/Book Depreciation	90,505		80,769	9,737

29
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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY OPERATING EXPENSES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 NET DEFERRED INCOME TAXES (A/C 410.1 LESS A/C 411.1)				
2 Production - Nuclear Decommissioning	0	Specific	0	0
3				
4 Production - Alloc	15,752	Net Coin Dmd	12,340	3,411
5 - Specific	0	Net Coin Dmd (b)		
6 Total Production	15,752		12,340	3,411
7				
8 Distribution -				
9 Lines & Subs - Alloc	(958)	Dist. L&S	(932)	(26)
10 - Specific	0	Dist. L&S (b)		
11 Total Lines & Substations	(958)		(932)	(26)
12 Meters	1,029	Meter Invest (a)	1,023	6
13 Services	1,366	Specific	1,366	
14 Street Lighting & Signals	173	Specific	173	
15 Line Transformers	3,133	Specific	3,133	
16 Total Distribution	4,743		4,764	(20)
17				
18 General & Intangible - Alloc	(103)	Common (Labor)	(89)	(14)
19 - Specific	0	Common (Labor) (b)		
20 Total General & Intangible	(103)		(89)	(14)
21				
22 Common Allocated - Alloc	(3,927)	Common (Labor)	(3,384)	(544)
23 - Specific	0	Common (Labor) (b)		
24 Total Common Allocated	(3,927)		(3,384)	(544)
25				
26 Total Deferred Income Taxes	16,465		13,631	2,833

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WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF UTILITY OPERATING EXPENSES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 Property Loss	0	Specific	0	
2				
3 TAXES OTHER THAN INCOME TAXES				
4 Property Related	217	Net Plant	197	20
5 PSCW Remainder Assessment	1,014	Specific	1,014	
6 FERC Remainder Assessment	0	Specific		0
7 Payroll Related	5,863	Common (Labor)	5,051	811
8 Revenue Related - Retail	29,884	Specific	29,884	0
9 Revenue Related - Wholesale	2,759	Specific	0	2,759
10 Total Taxes Other	39,736		36,146	3,590
11				
12 Total Net Operating Expense	1,023,095		849,076	174,014
13				
14				

(a) The WP&L portion is allocated on the indicated basis.

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UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF FEDERAL INCOME TAXES
CONSOLIDATED
\$(000)

	Total Consolidated Electric		Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 REVENUE:					
2 Tariff Revenues	1,095,546		Specific	931,573	163,973
3 Incremental Unbilled Revenues	0		Specific	0	0
4 Misc. Revenues - Specifically Assigned	0		Specific	0	0
5 - Joint	9,969		Net Plant	9,045	924
6 - WP&L Interdepartmental	0		Specific	0	
7 - WP&L Transformer Rentals	0		Specific	0	
8 Net Interruptible Revenue Credit	0		Net Coin Dmd	(1,584)	1,584
9 Emissions Revenues			Energy	0	0
10 Class A Sales - Demand			Net Coin Dmd	0	0
11 Class A Sales - Energy	0		Energy	0	0
12 Total Operating Revenue	1,105,515			939,034	166,481
13					
14 TOTAL NET OPERATING EXPENSE	1,023,095	82,420		849,076	174,014
15					
16 (ADDITIONS) DEDUCTIONS TO INCOME:					
17 Deferred Income Taxes	(16,465)	98,885	See Expenses	(13,631)	(2,833)
18					
19 Production Energy - Alloc	(190)		Energy	(146)	(44)
20 - Specific			Energy (b)		
21 Total Production Energy	(190)			(146)	(44)
22					
23 Production - Decommissioning	0		Net Coin Dmd	0	0
24					
25 Production - Alloc	45,260		Net Coin Dmd	35,458	9,802
26 - Specific			Net Coin Dmd (b)		
27 Total Production	45,260			35,458	9,802
28					
29 Distribution					
30 Lines & Subs - Alloc	(3,399)		Dist. L&S	(3,306)	(93)
31 - Specific			Dist. L&S (b)		
32 Total Lines & Subs	(3,399)			(3,306)	(93)
33					
34 Meters	2,456		Meter Invest (a)	2,442	14
35 Services	3,386		Specific	3,386	
36 Street Lights	426		Specific	426	
37 Transformers	8,310		Specific	8,310	
38 Total Distribution	11,180			11,259	(79)
39					
40 General & Intangible - Alloc	(280)		Common (Labor)	(241)	(39)
41 - Specific			Common (Labor) (b)		
42 Total General & Intangible	(280)			(241)	(39)
43					
44 Common Allocated - Alloc	(7,514)		Common (Labor)	(6,474)	(1,040)
45 - Specific			Common (Labor) (b)		
46 Total Common Allocated	(7,514)			(6,474)	(1,040)
47					
48 Total (Additions) Deductions to Income	31,992	48,457		26,226	5,767

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF FEDERAL INCOME TAXES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 OTHER TAX DEDUCTIONS:				
2 Synchronized Interest	59,987	Total Rate Base	54,009	5,978
3 State Franchise Tax Accrued	3,392		3,863	(470)
4 Total Other Federal Tax Deductions	63,379		57,872	5,508
5				
6 NET TAXABLE INCOME	(12,951)		5,860	(18,807)
7				
8 FEDERAL INCOME TAX (Tax Rate - 0.350)	(4,533)		2,051	(6,583)
9				
10 LESS: ITC Earned -				
11 - Production Other		Net Coin Dmd	0	0
12 - Distribution Lines & Subs.		Dist. L&S	0	0
13 Meters		Specific (a)	0	0
14 Services		Specific		
15 St. Lighting		Specific		
16 Transformers		Specific		
17 Total Distribution	0		0	0
18 - General & Common Allocated		Common (Labor)	0	0
19 Total ITC Earned	0		0	0
20				
21 FEDERAL INCOME TAX PAYABLE	(4,533)		2,051	(6,583)
22				
23 INCOME TAX ADJUSTMENTS				
24 Tax Credit & Prior Year Tax Adj.	(4,269)	Net Coin Dmd	(3,344)	(924)
25 Unbilled Revenue		Revenue	0	0
26 ITC Earned	0	See Above	0	0
27 ITC Restored -				
28 - Production Other	(735)	Net Coin Dmd	(576)	(159)
29 - Distribution Lines & Subs.	(228)	Dist. L&S	(222)	(6)
30 Meters	(17)	Specific (a)	(17)	0
31 Services	(37)	Specific	(37)	
32 Street Lighting	0	Specific	0	
33 Transformers	(40)	Specific	(40)	
34 Total Distribution	(323)		(316)	(6)
35 - General & Common Allocated	(5)	Common (Labor)	(4)	(1)
36 Total Income Tax Adjustments	(5,331)		(4,240)	(1,090)
37				
38 FEDERAL INCOME TAX	(9,864)		(2,189)	(7,673)

39
40 (a) The WP&L portion only is allocated on the indicated basis.
41 (b) The wholesale jurisdictional amounts are specifically identified and the retail amounts are allocated based on the indicated allocator.
42

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
ALLOCATION OF STATE INCOME TAXES
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 REVENUE:				
2 Tariff Revenues	1,095,546	Specific	931,573	163,973
3 Incremental Unbilled Revenues	0	Specific	0	0
4 Misc. Revenues - Specifically Assigned	0	Specific	0	0
5 - Joint	9,969	Net Plant	9,045	924
6 - WP&L Interdepartmental	0	Specific	0	
7 - WP&L Transformer Rentals	0	Specific	0	
8 Interruptible Revenue Credit	0	Net Coin Dmd	(1,584)	1,584
9 Emissions Revenues	0	Energy	0	0
10 Class A Sales - Demand	0	Net Coin Dmd	0	0
11 Class A Sales - Energy	0	Energy	0	0
12 Total Operating Revenue	1,105,515		939,034	166,481
13				
14 TOTAL NET OPERATING EXPENSE	1,023,095		849,076	174,014
15				
16 (ADDITIONS) DEDUCTIONS TO INCOME:				
17 Deferred Income Taxes	(16,465)	See Expenses	(13,631)	(2,833)
18				
19 Production Energy - Alloc	(190)	Energy	(146)	(44)
20 - Specific		Energy (b)		
21 Total Production Energy	(190)		(146)	(44)
22				
23 Production - Alloc	(18,096)	Net Coin Dmd	(14,177)	(3,919)
24 - Specific		Net Coin Dmd (b)		
25 Total Production	(18,096)		(14,177)	(3,919)
26				
27 Distribution				
28 Lines & Subs - Alloc	4,513	Dist. L&S	4,390	124
29 - Specific		Dist. L&S (b)		
30 Total Lines & Subs	4,513		4,390	124
31				
32 Meters	3,293	Meter Invest (a)	3,274	19
33 Services	3,523	Specific	3,523	
34 Street Lights	471	Specific	471	
35 Transformers	9,011	Specific	9,011	
36 Total Distribution	20,811		20,668	143
37				
38 General & Intangible - Alloc	85	Common (Labor)	73	12
39 - Specific		Common (Labor) (b)		
40 Total General & Intangible	85		73	12
41				
42 Common Allocated - Alloc	(6,655)	Common (Labor)	(5,734)	(921)
43 - Specific		Common (Labor) (b)		
44 Total Common Allocated	(6,655)		(5,734)	(921)
45				
46 Total (Additions) Deductions to Income	(20,510)		(12,946)	(7,562)

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY ALLOCATION OF STATE INCOME TAXES CONSOLIDATED \$(000)				
	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 OTHER TAX DEDUCTIONS:				
2 Synchronized Interest	59,987	Total Rate Base	54,009	5,978
3 Total Other Federal Tax Deductions	59,987		54,009	5,978
4				
5 NET TAXABLE INCOME	42,943		48,895	(5,948)
6				
7 STATE INCOME TAX (Tax Rate - 0.079)	3,392		3,863	(470)
8 LESS: Tax Credits			0	0
9 ADD : Tax Adjustments (Prior Year Tax)		Net Plant	0	0
10 STATE INCOME TAX	3,392		3,863	(470)

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
RETURN ON RATE BASE AND REVENUE REQUIREMENT
CONSOLIDATED
\$(000)

	Total Consolidated Electric	Basis for Allocation	Allocated WP&L Retail	Allocated WP&L Wholesale
1 REVENUE:				
2 Tariff	\$1,095,546		\$931,573.096	\$163,973
3 Incremental Unbilled Revenues	0		0	0
4 Misc. Revenues - Specifically Assigned	0		0	0
5 - Joint	9,969		9,045	924
6 - WP&L Interdepartmental	0		0	0
7 - WP&L Transformer Rentals	0		0	0
8 Interruptible Revenue Credit	0		(1,584)	1,584
9 Emissions Revenues	0		0	0
10 Class A Sales - Demand	0		0	0
11 Class A Sales - Energy	0		0	0
12 Total	1,105,515		939,034	166,481
14 OPERATING EXPENSES:				
15 Fuel and Purchased Power	539,869		417,088	122,781
16 Other Operations and Maintenance	327,815		297,043	30,768
17 Regulatory Asset Amortization	8,704		4,399	4,304
18 Normal Depreciation	90,505		80,769	9,737
19 Deferred Tax Expense	16,465		13,631	2,833
20 Taxes Other Than Income Taxes	39,736		36,146	3,590
21 Operating Expenses Before Income Taxes	1,023,095		849,076	174,014
22 State Income Taxes	3,392		3,863	(470)
23 Federal Income Taxes	(9,864)		(2,189)	(7,673)
24 Total	1,016,623		850,750	165,871
26 NET INCOME:	88,893		88,285	610
27 Dividend Income From WI Valley Improvement	0	Net Coin Dmd	0	0
28 Decommissioning Earnings	0	Specific		
29 Total Net Income	88,893		88,285	610
31 EARNED RETURN:				
32 Total Net Income	88,893		88,285	610
33 / Allocated Net Investment Rate Base	1,512,945		1,362,165	150,775
34				
35 Earned Rate of Return On Rate Base	5.880%		6.480%	0.400%
37 ALLOWED RETURN:				
38				
39 Allowed Rate Of Return on Rate Base	12.030%		11.790%	14.158%
40 X Allocated Net Investment Rate Base	1,512,945		1,362,165	150,775
41				
42 Allowed Return	182,007		160,599	21,347
43				
44 RETURN DEFICIENCY / (EXCESS):	93,114		72,314	20,737
45				
46 REVENUE SHORTFALL / (EXCESS):	155,541		\$ 120,796	34,639
47 (Return Deficiency (Excess) / 0.598650)				
48				
49 REVENUE AT PRESENT RATES			\$ 931,573	163,973
50 (Tariff Revenues + Interdepartmental)				
51				
52 PERCENT INCREASE / (DECREASE):			12.97%	21.12%
53 Effective Tax Rate	25.69%		30.87%	49.73%

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
JURISDICTIONAL AND FUNCTIONAL ALLOCATION FACTORS
CONSOLIDATED
\$(000)

		Total Electric	Basis for Allocation	Total Retail	Total Wholesale
1	Gross Coincident Demand in Megawatts	2,241.0		1,773.6	467.4
2	Percent of Total	100.0000%		79.1449%	20.8551%
3					
4	Net Coincident Demand in Megawatts	2,107.5		1,651.1	456.4
5	Percent of Total	100.0000%		78.3430%	21.6570%
6					
7	Non-coincident Demand in Megawatts - Distr.	3,835.4		3,730.3	105.1
8	Percent of Total	100.0000%		97.2599%	2.7401%
9					
10	Energy at Generator in Megawatt-hours	13,882,706		10,666,994	3,215,713
11	Percent of Total	100.0000%		76.8365564%	23.1634%
12					
13	Transmission:				
14	Retail	100.0000%		100.0000%	0.0000%
15	Wholesale and SBWGE (network)	100.0000%		0.0000%	100.0000%
16	Wholesale and SBWGE (Other)	100.0000%		0.0000%	100.0000%
17					
18					
19	Distribution Lines & Substations:				
20					0.0000%
21	Distribution Lines and Subs	100.0000%		97.2599%	2.7401%
22	Total -	100.0000%		97.2599%	2.7401%
23					
24					
25	Distribution Meters Investment	85,363		84,863	500
26	Percent of Total (For O&M)	100.0000%		99.4143%	0.5857%
27	Percent of Total - WP&L only (For Plant)	100.0000%		99.4143%	0.5857%
28					
29					
30	Distribution Street Lighting Investment	14,014		14,014	
31	Percent of Total	100.0000%		100.0000%	
32					
33					
34	Distribution Transformer Investment	239,974		239,974	
35	Percent of Total	100.0000%		100.0000%	
36					
37					
38	Customer Accounting:				
39	Weighted # of Customers	461,231		457,133	4,097
40	Percent of Total	100.0000%		99.1117%	0.8883%
41					
42					
43	Customer Service & Information:				
44	Energy at Meter in Megawatt-hours	13,146,365	1.000000000	9,983,574	3,162,792
45	Percent of Total	100.0000%		75.9417%	24.0583%
46					

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
JURISDICTIONAL AND FUNCTIONAL ALLOCATION FACTORS
CONSOLIDATED
\$(000)

		Labor by Function	Percent of Total	Basis for Allocation	Total Retail	Total Wholesale
1	Common Plant (Labor) Allocators:					
2	Production - Energy	\$13,022	23.1479%	Energy	17.7861%	5.3619%
3	Production - Demand	19,971	35.5015%	Net Coin Dmd	27.8129%	7.6885%
4						
5	Distribution:					
6	Lines & Subs	14,399	25.5961%	Dist. L&S	24.8947%	0.7014%
7	Meters	(549)	-0.9759%	Meter Invest	-0.9702%	-0.0057%
8	Services	311	0.5528%	Meter Invest	0.5496%	
9	St Ltg/Signals	8	0.0142%	St Ltg Invest	0.0142%	
10	Line Transf.	73	0.1298%	Transf Invest	0.1298%	
11	Total Distribution	14,241	25.3170%		24.6181%	0.6957%
12	Customer Accounting	5,907	10.5008%	Cust. Acctg.	10.4075%	0.0933%
13	Customer Service & Info. - DSM	0	0.0000%	Wi. Retail	0.0000%	
14	Customer Service & Info.	3,113	5.5337%	Cust. Serv. Exp.	5.5337%	0.0000%
15	Total Common (Labor)	56,255	100.0010%		86.1583%	13.8393%

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
JURISDICTIONAL AND FUNCTIONAL ALLOCATION FACTORS
CONSOLIDATED
\$(000)

		<u>Total Electric</u>	<u>Basis for Allocation</u>	<u>Total Retail</u>	<u>Total Wholesale</u>
1	Gross Distribution Plant Allocator	100.0000%		98.0216%	1.9784%
2					
3	Net Plant Allocator	100.0000%		90.7285%	9.2712%
4					
5	Total Rate Base Allocator	100.0000%		90.0340%	9.9656%
6					
7	Revenue Allocators	100.0000%		84.9409%	15.0591%
8					
9	Gross Plant Allocator	100.0000%		89.1415%	10.8582%
10					
11	Customer Service Expense Allocator	100.0000%		99.9987%	0.0000%

UR 117 Filed

WISCONSIN POWER AND LIGHT COMPANY
GROSS REVENUE CONVERSION FACTOR
CONSOLIDATED
\$(000)

	DESCRIPTION	ELECTRIC	WATER	GAS
1	FLAT RATES:			
2				
3	LICENSE FEE (REVENUE TAX RATE)	3.19%	3.19%	0.97%
4				
5	STATE INCOME TAX RATE	7.90%	7.90%	7.90%
6				
7	FEDERAL TAX RATE	35.00%	35.00%	35.00%
8				
9				
10				
11				
12				
13	EFFECTIVE RATES USED IN GROSS REVENUE CONVERSION:			
14				
15	LICENSE FEE			
16				
17	EFFECTIVE STATE INCOME TAX RATE	5.1350%	5.1350%	5.1350%
18				
19	EFFECTIVE FEDERAL INCOME TAX RATE	<u>35.0000%</u>	<u>35.0000%</u>	<u>35.0000%</u>
20				
21				
22	TOTAL EFFECTIVE TAX RATE	<u>40.1350%</u>	<u>40.1350%</u>	<u>40.1350%</u>
23				
24				
25				
26				
27				
28	GROSS REVENUE CONVERSION FACTOR	<u>59.8650%</u>	<u>59.8650%</u>	<u>59.8650%</u>
29				

**Wisconsin Power and Light
Rock River & Blackhawk Change**

(000s)	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>13 Month Average 10</u>
WPL Filed UR-117														
Utility Plant In Service	3,294,961	3,302,567	3,310,556	3,320,640	3,329,637	3,341,939	3,354,407	3,366,589	3,377,917	3,389,144	3,399,986	3,411,609	3,875,357	3,390,408
Accumulated Depreciation	(1,378,466)	(1,384,349)	(1,390,141)	(1,395,335)	(1,400,879)	(1,405,466)	(1,410,034)	(1,414,722)	(1,419,695)	(1,424,729)	(1,429,908)	(1,434,884)	(1,440,661)	(1,409,944)
Rock River 1 & 2 Retirement														
Utility Plant In Service	(54,152)	(54,154)	(54,155)	(54,156)	(54,157)	(54,158)	(54,159)	(54,161)	(54,162)	(54,163)	(54,164)	(54,165)	(54,166)	(54,159)
Accumulated Depreciation	54,152	54,154	54,155	54,156	54,157	54,158	54,159	54,161	54,162	54,163	54,164	54,165	54,166	54,159
Blackhawk 3 & 4 Retirement														
Utility Plant In Service	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)	(12,389)
Accumulated Depreciation	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389	12,389
Revised July 2009														
Utility Plant In Service	3,228,420	3,236,024	3,244,013	3,254,095	3,263,091	3,275,392	3,287,859	3,300,039	3,311,366	3,322,592	3,333,433	3,345,055	3,808,802	3,323,860
Accumulated Depreciation	(1,311,925)	(1,317,735)	(1,323,454)	(1,328,573)	(1,334,045)	(1,338,558)	(1,343,053)	(1,347,667)	(1,352,567)	(1,357,528)	(1,362,633)	(1,367,536)	(1,373,240)	(1,342,963)
Change														
Utility Plant In Service	(66,541)	(66,542)	(66,543)	(66,545)	(66,546)	(66,547)	(66,548)	(66,549)	(66,550)	(66,552)	(66,553)	(66,554)	(66,555)	(66,548)
Accumulated Depreciation	66,541	66,615	66,688	66,761	66,834	66,908	66,981	67,054	67,128	67,201	67,274	67,348	67,421	66,981